

CITY OF SAN DIEGO
ADMINISTRATIVE REGULATION

SUBJECT FEDERAL ELECTRONIC DATA INTERCHANGE (FEDI) PAYMENT SYSTEM*	Number 35.25	Issue 1	Page 1 of 6
	Effective Date January 24, 2000		

1. Purpose

- 1.1 To establish policy and procedure guidelines for the acceptance of electronic payments.
- 1.2 Outline Department responsibilities associated with account set-up, Federal invoicing requirements, and establishing system controls associated with the FEDI system.

2. Scope

- 2.1 Establish policy and procedure guidelines for the acceptance of these electronic payments.

3. Background

- 3.1 On April 26, 1996, the President signed into law the Debt Collection Improvement Act. This Act requires that all Federal payments made to other government agencies be made electronically beginning January 1, 1999. To meet this requirement, the City along with San Diego Data Processing Corporation (SDDPC) worked together to develop the FEDI system to electronically capture all Federal payments made to the City of San Diego.

4. Definitions

- 4.1 Financial Electronic Data Interchange (FEDI) - The terminology used by the Federal Government when referring to electronic payment transactions. This refers to any electronic transfer of funds and related information (addendum record) including invoice numbers. The Federal Government uses FEDI for payments it makes to the City of San Diego.

Authorized

(Signed by Michael T. Uberuaga)

CITY MANAGER

(Signed by Ed Ryan)

AUDITOR & COMPTROLLER

(Signed by Casey Gwinn)

CITY ATTORNEY

(Signed by Rich Snapper)

PERSONNEL DIRECTOR

(Signed by Charles G. Abdelnour)

CITY CLERK

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- 4.2 The City of San Diego's Electronic Data Interchange (FEDI) System - The City of San Diego's electronic data interchange system is referred to as the FEDI system. This system is an electronic Clearinghouse which enables the City of San Diego to exchange financial information and payments with the Federal Government and other entities.
- 4.3 Automated Clearinghouse (ACH) - ACH is the electronic counterpart of the federal check clearance system. It is a system that provides bank to bank communications, allowing one bank to communicate with another via a universal bank interface system. The system encompasses the same area of the country as serviced by the Federal Reserve. All federal payments are sent through the ACH before they are downloaded into the FEDI system.
- 4.4 ACH vendor/Miscellaneous Payment Enrollment Form - (SF 3881) is a three part form that departments must use in order to receive FEDI payments. It contains the financial institution information necessary to route an ACH payment to the City's bank account. This form can be found at the Federal Governments Treasurer web-site, www.FMS.Treas.gov/eft/.
- 4.5 Accounts Receivable Invoicing System (ARIS) - The City's invoicing system that is administered by the Auditor and Comptroller. The FEDI system reference number for ARIS invoices will start with a "C", and are matched through FEDI according to this character.
- 4.6 Lease Information Billing System (LIBS) - Real Estate Assets' billing system, which is a component of ARIS. The FEDI system reference number for LIBS invoices will start with a "L", and are matched through FEDI according to this character.
- 4.7 Customer Information System (CIS) - The Water Department's billing system. The FEDI system reference number for CIS invoices start with a "U", and are matched through FEDI according to this character.

5. Procedures

- 5.1 Account Set-up - Every department that invoices a Federal agency must complete the first two sections of form (SF 3881), as described in Exhibit "A-1", with the name of the department contact responsible for coordinating with the Federal agency for any billing inquiries. Upon completion, the form is sent to the Office of the City Treasurer's Investment Program at MS #606A, for further processing. A sample application form for 1999 Electronic Funds Transfer (99 EFT) program to submit to the City Treasurer is attached as Exhibit "A-2".

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After the form is fully executed by the City's bank and returned by the Office of the City Treasurer the department should prepare a cover letter (Exhibit "B") to the Federal agency that outlines the City's requirements for receiving ACH payments. A sample bill with an FEDI invoice number should be attached and referenced in the letter to ensure compliance and understanding of these requirements. If the Federal agency fails to use the FEDI invoice number when they make a payment the money cannot be applied to the proper invoice. This FEDI invoice number is the control number that is used in the payment matching process. The FEDI invoice number must be displayed in a prominent location on the billing document.

- 5.2 Federal Invoicing Guidelines - The ARIS, LIBS and CIS billing systems have been modified to generate FEDI invoice numbers for federal agencies. It is imperative for payment matching purposes, that all departments which invoice a federal agency use these FEDI invoice numbers. When the payment is received into the FEDI system this payment invoice number is matched to the number in the billing system. Any unmatched items are treated as exception items and must be researched before being posted to the correct invoice. The first character of the FEDI invoice number determines which billing system (ARIS, LIBS or CIS) the payment should be applied to.
- 5.3 Establishing a FEDI password - Before obtaining a FEDI password SDDPC has to set up and configure the user's system for access. Once this has been accomplished the department supervisor should contact the System Administrator within the Office of the City Treasurer to set up user access rights. Please refer to the responsibility section which outlines the system administration hierarchy.
- 5.4 Exception Items or Unmatched Payments - When an item cannot be automatically matched it is sent through the FEDI system's exception payment processing module as an unmatched item. Each FEDI authorized department is responsible for logging onto the FEDI system daily and identifying any unmatched payments. For control purposes these authorized departments are given different rights in regards to matching these exception items. There are four permission levels that have been established when identifying exception items. These exception screens are: 1. Match/unmatch payments with invoices, 2. Accept payment to FEDI Clearing (without an invoice), 3. Accept payments to Water (without an invoice), 4. Reject payments. In addition, only the City Treasurer has permission to exclude payments from the FEDI clearing process. Please refer to the Permissions Matrix which is attached as Exhibit "C" to verify your department's access rights.

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5.5 User's Manual - The Office of the City Treasurer is currently in the process of developing a FEDI user's manual. Please contact 236-7135 if you would like to request a copy of this manual.

6. Responsibilities

6.1 There is a system hierarchy that must be followed in order to maintain system control. The System Administrator within the Office of the City Treasurer is responsible for setting up passwords and addressing any system administration issues that the department supervisors may have. Each department has a FEDI supervisor that reports to the system administrator within the Office of the City Treasurer. The department supervisors should assist the end users within their respective departments. Exhibit "D" depicts the FEDI system administration hierarchy.

6.2 The Office of the City Treasurer is responsible for:

- a. Maintaining and administering the FEDI system.
- b. Insuring that all departments that use the FEDI system are reviewing payments on a daily basis.
- c. Resolving any issues associated with unidentifiable or problem payments.
- d. Setting up passwords and maintaining system controls.
- e. Making sure departments are following the Federal invoicing guidelines.
- f. Maintaining and updating the user manual.
- g. Providing system training.

6.3 The Auditor and Comptroller is responsible for:

- a. Assuring that Federal invoices processed through the LIBS system are invoiced according to the Federal invoicing requirements.
- b. Matching payment associated to the LIBS system daily and identifying any discrepancies.
- c. Appointing a Department Supervisor who will contact the System Administrator within the Office of the City Treasurer whenever there are discrepancies.

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- d. Maintaining and administering the FEDI system within the Real Estate Assets Department, assisting personnel within their department with any LIBS issues related to the FEDI system.

6.4 All other City Departments that bill Federal agencies, request reimbursement for services or make applications for grants with Federal agencies are responsible for:

- a. Following the Federal invoicing guidelines (Paragraph 5.1-5.5)
- b. Submit all Federal invoices through the ARIS accounting system or request that a unique ARIS invoice is assigned by the Auditor and Comptroller.

7. Conclusion

- 7.1 In conclusion, the FEDI system developed to make the acceptance of Federal payments a more efficient process. In order for the FEDI system to work to its full potential the above guidelines must be adhered to. Even though the initial scope for developing FEDI was to provide a computerized solution to accepting electronic payments for Federal Agencies, there is a long term objective of expanding these capabilities to capture all electronic payment transactions.

***The FEDI system may be renamed before this administrative regulation is finalized. This is being considered because it has the potential to capture payments from not only federal agencies but various government and private sector agencies.

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APPENDIX

- 1) Exhibit A-1 Federal Agency ACH Vendor/Miscellaneous Payment Enrollment Form Instructions
- 2) Exhibit A-2 ACH Vendor/Miscellaneous Payment Enrollment Form
- 3) Exhibit B Sample Cover Letter ACH Enrollment Form
- 4) Exhibit C Permissions Matrix - used to determine a department=s access level
- 5) Exhibit D Administrative Hierarchy

Administering Department

City Treasurer

EXHIBIT A-1

FEDERAL AGENCY ACH VENDOR/MISCELLANEOUS PAYMENT ENROLLMENT FORM INSTRUCTIONS

The form is typically broken into three sections. The “Agency Information” section which is completed by the federal agency that is a customer of the City Department. The second section called the “Payee/Company Information” is completed by the City Department that is billing the federal agency. The last part of the form “Financial Institution Information” is completed by our Depository Bank and verified by the Treasurer’s Investment Section.

City departments are to complete and process the forms as follows:

1. Upon receipt of the form from the federal agency make two copies of the form and retain one copy in your files for future changes.
2. Complete the ACH Format and Additional Information blocks of the “Agency Information” section of the form as follows:

ACH Format: **CCD+ or CTX**

Additional Information: “The Federal Program Agency agrees to provide the City of San Diego with the EDI invoice number in a CCD+ or CTX addenda record accompanying each ACH payment.”

3. Complete the second section of the form as follows:

Name: **City of San Diego** - department name, Taxpayer ID# 956000776W, department mailing address, contact title and name, and telephone number.
4. Make copy of the partially completed form and forwards the original to the Treasurer’s Investment Section for further processing. Verifies receipt of the document by the Treasurer’s Office.
5. Confirm completion of processing within 8 business days of receipt by the Treasurer’s Investment Section.
6. Request a copy of the completed enrollment form from the Treasurer’s Investment Section for submission to the Federal Agency.

EXHIBIT "A-2"
ACH VENDOR/MISCELLANEOUS PAYMENT
ENROLLMENT FORM

OMB No. 1510-0052
Expiration Date 06/30/99

This form is used for Automated Clearing House (ACH) payments with an addendum record that contains payment-related information processed through the Vendor Express Program. Recipients of these payments should bring this information to the attention of their financial institution when presenting this form for completion.

PRIVACY ACT STATEMENT

The following information is provided to comply with the Privacy Act of 1974 (P.L. 93-579). All information collected on this form is required under the provisions of 31 U.S.C. 3322 and 31 CFR 210. This information will be used by the Treasury Department to transmit payment data, by electronic means to vendor's financial institution. Failure to provide the requested information may delay or prevent the receipt of payments through the Automated Clearing House Payment System.

AGENCY INFORMATION

FEDERAL PROGRAM AGENCY

DEPARTMENT OF JUSTICE - IMMIGRATION & NATURALIZATION SERVICE

AGENCY IDENTIFIER:

SIN1

AGENCY LOCATION CODE (ALC):

15121201

ACH FORMAT:

☒ CCD+

☐ CTX

P.O. BOX 30110

LAGUNA NIGUEL, CA 92607-0110

CONTACT PERSON NAME:

JAMES B. WIGGINS, ACCOUNTING OFFICER

TELEPHONE NUMBER:

(949) 360-3153

ADDITIONAL INFORMATION:

The Federal Program Agency agrees to provide the City of San Diego with the EDI invoice number in a CCD+ or CTX addenda record accompanying each ACH payment.

PAYEE/COMPANY INFORMATION

NAME:

CITY OF SAN DIEGO - FINANCING SERVICES

SSN NO. OR TAXPAYER ID NO.

956000776W

ADDRESS:

202 C STREET MS 8A

SAN DIEGO, CA 92101

CONTACT PERSON NAME:

RONALD MCDONALD - FACILITIES FINANCE COORDINATOR

TELEPHONE NUMBER:

619 533-4321

FINANCIAL INSTITUTION INFORMATION

NAME:

TO BE COMPLETED BY INVESTMENTS

ADDRESS:

ACH COORDINATOR NAME:

TELEPHONE NUMBER:

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NINE-DIGIT ROUTING TRANSIT NUMBER:

DEPOSITOR ACCOUNT TITLE:

DEPOSITOR ACCOUNT NUMBER:

LOCKBOX NUMBER:

TYPE OF ACCOUNT:

☐ CHECKING

☐ SAVINGS

☐ LOCKBOX

SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL:
(Could be the same as ACH Coordinator)

TELEPHONE NUMBER:

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EXHIBIT "B"

SAMPLE COVER LETTER
ACH ENROLLMENT FORM

U.S. Federal Agency Name
Address
City, State, ZIP Code

Dear Agency Contact Name:

The City of San Diego _____ Department is pleased to participate in the federal government's EFT99 program by completing the attached enrollment form.

In consideration of our mutual interest to eliminate waste and gain efficiencies, we request that your organization ensure that all ACH electronic payments to The City of San Diego are in a CCD+ format. We also request that each addenda record contain the EDI invoice number, provided by the City on each bill/statement, which will identify how the payment should be applied.

I have attached a sample copy of a bill/statement for your review containing the EDI invoice# _____. It is imperative that the full EDI invoice number is part of the CCD+ electronic addenda record to identify the payment.

If you have any questions please contact me at.....

Sincerely,

EDI Unmatched Items Permissions Matrix

Users	Match/Unmatch Payments with Invoices	Accept Payments to EDI Clearing (w/o invoice)	Accept Payments to Water (w/o invoice)	Reject Payment
Treasurer-System Administrator	Any Department	Yes	Yes	Yes
Treasurer-Users	Any Department	Yes	No	Select Users
Auditor/Comptroller	Any Department	Yes	No	No
ARIS - Supervisor	Within a list of Dept.	No	No	No
ARIS - Department User	Within a list of Dept.	No	No	No
LIBS - Supervisor	Within a list of Dept.	No	No	No
LIBS - Department User	Within a list of Dept.	No	No	No
CIS - Supervisor	Within a list of Dept.	No	No	No
CIS - Department User	Within a list of Dept.	No	No	No

EDI
Administrative Hierarchy

